



**An Information Service of the Division of Medical Assistance**

**North Carolina  
Medicaid Pharmacy  
Newsletter**

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1-800-688-6696 or 919-851-8888

## **Synagis**

Effective for the 2003-2004 Synagis season, claims can now be submitted using the online POS system. The claims must be submitted at least 25 days apart.

## **Days Supply on Pharmacy Claims**

Effective October 1, 2003, Medicaid recipients can obtain a 90-day supply of a medication if the claim is for a generic, non-controlled maintenance medication and they have had a previous 30-day fill of the same medication. The claim must also pay at either the Federal or State MAC rate for a 90-day supply to be allowed. If the product is deleted from the MAC list, then the patient can only obtain a 34-day supply. This is at the sole discretion of the recipient's healthcare provider. Only one copay will be collected and only one dispensing fee will be paid for the 90-day supply.

The Automated Voice Response (AVR) system can be used to determine if an NDC is currently listed on either the Federal or State MAC list. The AVR system can be reached by dialing 1-800-723-4337. The provider number, NDC and date of service is needed to confirm if an NDC is payable at the MAC price. If the AVR system replies that the NDC is covered (but does not say MAC), then the reimbursement is at AWP -10%.

## **NCPDP version 5.1 (POS)**

N.C. Medicaid began accepting NCPDP 5.1 transactions on August 1, 2003. The following transaction types are accepted:

B1- Claims processing  
B2- Reversal processing  
B3- Rebill processing  
\*Partial fills are not accepted

If a compound prescription contains all legend products, then the claim can be submitted on POS. The total ingredients billed should match the compound ingredient component count. If they do not match, the claim will deny. The cost for each ingredient should be indicated and the dispensing fee should be included in the total billed amount in the header. If NDCs included in the compound are not covered by Medicaid, the claim will continue to process with the payable ingredients only. If you need to document this action in your system, please include an "8" in the submission clarification field.

All reversals – with the exception of compounds – require an NDC, DOS, MID number and provider number. Compound reversals do not require the NDC.

A rebill must have the same DOS, recipient number, provider number, and prescription number. If a rebill transaction is submitted and the new claim fails for an edit, audit or DUR alert, the reversal will also fail. If the original claim will not reverse by submitting a B2 (reversal), then a paper adjustment must be submitted to reverse the claim.

## **Remittance and Status Report**

With the implementation of NCPDP 5.1 and metric decimal quantities, the RA will be changed to allow additional space to report the quantity at the decimal level if appropriate. Starting with the October 21, 2003 checkwrite, the drug name will no longer appear on the RA, but all other information will remain the same.

## Metric Decimal Conversion Update

N.C. Medicaid will begin accepting metric decimal quantities for claims submitted using NCPDP 5.1 on **October 12, 2003**. Any providers using NCPDP 3.2 should continue submitting the rounded quantity.

Starting with the October 21, 2003 checkwrite, the rounded quantity will still appear on paper and tape RA temporarily, but the metric decimal quantity will appear on the electronic RA (835).

## Coordination of Benefits

Effective October 2003, the N.C. Medicaid program will begin cost avoiding pharmacy claims for patients who have other coverage for drugs. The pharmacy will receive a denial through the Point of Sale (POS) system that the other third party should be billed as the primary payer. Medicaid can then be billed as a secondary payer. An “override” procedure for insurance that may have been dropped (cancelled) or is incorrect as of the date of service will be implemented. The NCPDP 5.1 companion guide has been updated as follows:

### Claim Segment defined as 308-C8 (other coverage code)

- Required/Optional/Not Used: **Optional**
- Field Type: N
- Max length: 2
- North Carolina Medicaid Specifications (override codes):
  - 01=No other coverage identified**
  - 02=Other coverage exists-payment collected** (should be used when other coverage exists, but payment applied to deductible)
  - 03=Other coverage exists-this claim not covered** (claim not covered under primary third party plan)
  - 04=Other coverage exists-payment not collected** (coverage exists, but not for this situation, i.e., such as early refill denial from other third party)
  - 07=Other coverage exists-not in effect at time of service** (other coverage exists but not on date of service)

If other coverage is indicated, the number ‘99’ must be entered in field 338-5C.

When a claim is denied for other coverage, the POS system will deny the claim and will send the third party information that is currently indicated on the eligibility file. The message field will indicate:

MISSING/INVALID 3<sup>RD</sup> PARTY PMT”: INSURANCE CARRIER / PHONE NUMBER /  
POLICY NUMBER/ CARRIER CODE/POLICY HOLDER’S NAME/ RECIPIENT’S NAME/  
INSURANCE ADDRESS

For recipients with MPW coverage (pink Medicaid identification card), the eligibility file automatically exempts the claim from the cost avoidance process. The pharmacist must indicate the diagnosis of V22.2 in the diagnosis field on the POS transaction for recipients who have a blue Medicaid card.

The overrides listed above will be reported back to Medicaid on a monthly basis

## Coverage of Impotence Drugs

Effective August 19, 2003, Levitra was added to the list of drugs covered by N.C. Medicaid for impotency. There is a limit of 2 units per month. The physician must document in his/her own handwriting "erectile dysfunction" on the face of the prescription. Impotence drugs for males 25 years of age and older do not require prior approval. For males under 25 years of age, the physician (or designee) must obtain prior approval from the Division of Medical Assistance. Documentation for medical necessity should be sent to the following address:

N.C. Division of Medical Assistance  
Attention: Pharmacy Section  
2501 Mail Service Center  
Raleigh, N. C. 27699  
Fax: 919-733-2796

## Federal Mac List Changes

Effective August 24, 2003, the following changes were made to the Medicaid Drug Federal Upper Limit List:

### FUL Deletions

#### Generic Name

Dexamethasone  
0.5 mg/5 ml, Elixir, Oral, 240 ml

Lovastatin  
40 mg, Tablet, Oral, 60

Naproxen  
375 mg, Tablet, Delayed Release, Oral, 100

Trifluoperazine Hydrochloride  
EQ 1 mg, Tablet, Oral, 100  
EQ 2 mg, Tablet, Oral, 100  
EQ 10 mg, Tablet, Oral, 100

### FUL Price Increases

<u>Generic Name</u>	<u>FUL Price</u>
Flurazepam Hydrochloride	
15 mg, Capsule, Oral, 100	\$0.0975 B
30 mg, Capsule, Oral, 100	\$0.1148 B
Hydroxyzine Hydrochloride	
10 mg/5 ml, Syrup, Oral, 480 ml	\$0.0367 B
Medroxyprogesterone Acetate	
10 mg, Tablet, Oral, 100	\$0.3787 B
Nifedipine	
10 mg, Capsule, Oral, 100	\$0.1875 B

**FUL Price Increases (cont.)**

Perphenazine	
2 mg, Tablet, Oral, 100	\$0.3473 R
4 mg, Tablet, Oral, 100	\$0.6377 R
16 mg, Tablet, Oral, 100	\$1.3833 B
Valproic Acid	
250 mg, Capsule, Oral, 100	\$0.5250 B

**FUL Price Decreases**

<u>Generic Name</u>	<u>FUL Price</u>
Acyclovir	
200 mg, Capsule, Oral, 100	\$0.1478 B
400 mg, Tablet, Oral, 100	\$0.4425 B
800 mg, Tablet, Oral, 100	\$0.8700 B
Imipramine Hydrochloride	
10 mg, Tablet, Oral, 100	\$0.2643 B
25 mg, Tablet, Oral, 100	\$0.3551 B
50 mg, Tablet, Oral, 100	\$0.4604 B
Pindolol	
5 mg, Tablet, Oral, 100	\$0.0960 B
10 mg, Tablet, Oral, 100	\$0.1268 B
Sulfasalazine	
500 mg, Tablet, Oral, 100	\$0.1565B
Thioridazine Hydrochloride	
100 mg, Tablet, Oral, 100	\$0.4941 B
Trihexyphenidyl Hydrochloride	
5 mg, Tablet, Oral, 100	\$0.2295 B

**FUL Additions**

<u>Generic Name</u>	<u>FUL Price</u>
Desonide	
0.05%, Cream, Topical, 60 gm	\$0.2337 B
Enalapril Maleate	
2.5 mg, Tablet, Oral, 100	\$0.3075 B
5 mg, Tablet, Oral, 100	\$0.5490 B
10 mg, Tablet, Oral, 100	\$0.6863 B
20 mg, Tablet, Oral, 100	\$0.9150 B
Ipratropium Bromide	
0.02%, Solution for Inhalation, 2.500 ml, 25s	\$0.3030 B

## State Mac List Changes

The following changes were made to the North Carolina Medicaid State Mac List:

### SMAC Deletions

The following medication was deleted from the State Mac List, effective: July 18, 2003

#### **Generic Name**

Amoxicillin  
125mg Tablets

Dexamethasone  
4mg Tablets

Diclofenac Sodium  
25mg Tablets

The following medication was deleted from the State Mac list, effective August 12, 2003

#### **Generic Name**

Cefuroxime  
250mg Tablets  
500mg Tablets

### SMAC Increases

<u>GENERIC NAME</u>	<u>SMAC PRICE</u>	<u>Effective Date of Change</u>
Diclofenac Sodium		
50mg Tablets, EC	0.3972	07/18/2003
75mg Tablets, EC	0.6158	07/18/2003
Hydrocodone/APAP		
2.5mg; 500mg Tablets	0.1306	08/12/2003
Hydrocodone/APAP		
7.5mg; 650mg Tablets	0.1844	08/12/2003
Isosorbide Dinitrate		
10mg Tablets	0.1489	08/12/2003
Isosorbide Mononitrate		
30mg Tablets	0.7139	08/12/2003
Methocarbamol		
750mg Tablets	0.3540	08/12/2003

## Changes in Drug Rebate Manufacturers

The following changes were made in manufacturers with Drug Rebate Agreements. They are listed by manufacturer code, which is the first five digits of the NDC.

### Additions

The following labelers have entered into Drug Rebate Agreements and joined the rebate program effective on the dates indicated below:

<i>Code</i>	<i>Manufacturer</i>	<i>Date</i>
00113	Perrigo Company	07/01/2003
08080	Tyko Healthcare Group, LP	04/29/2003
11808	Rx Formulations Corporation	07/01/2003
17474	Tyko Healthcare Group,LP	04/29/2003
58552	Gil Pharmaceutical Corp	06/12/2003
67286	ESP Pharma, Inc	04/28/2003
67386	Ovation Pharmaceuticals, Inc.	08/18/2003
67767	Abrika Pharmaceuticals	06/27/2003
67800	Corixa Corporation	06/27/2003
67871	QOL Medical	07/23/2003
68013	Vision Pharma, LLC	08/01/2003
68032	River's Edge Pharmaceuticals	08/05/2003
68047	Larken Laboratories, Inc.	07/15/2003
68134	Palmetto Pharmaceuticals, Inc.	08/23/2003

The following labeler codes were terminated effective July 1,2003:

Guy & O'Neill (Labeler Code 50862);  
Miza Pharmaceuticals (Labeler Code 52238).  
Vitaline Corporation (Labeler Code 54022);  
Pharmacists Choice (Labeler Code 54979); and  
Link Pharmaceutical (Labeler Code 65772).  
Leader (Labeler Codes 08881, 36652, and 56151);  
NexStar Pharmaceuticals, Inc. (Labeler Code 56146)  
American Generics, Inc. (Labeler Code 58634)  
Sequus Pharmaceuticals (Labeler Code 61471); and  
American Pharmaceutical Partners, Inc. (Labeler Code 65219)

The following labeler code will be reinstated in the drug rebate program effective October 1,2003:

C.O. Truxton, Inc. (Labeler Code 00463)

The following labeler code is being voluntarily terminated effective January 1,2004:

Horus Therapeutics (Labeler Code 59229)

## **New Mailing Address for the Division of Medical Assistance**

Beginning September 1, 2003, the Division of Medical Assistance consolidated the mail service center addresses for each section or unit, except Third Party Recovery, into one mail service center address. Providers must include the name of the section or unit on the second line of the address to ensure that correspondence is routed correctly. The new address is as follows:

Division of Medical Assistance  
**Name of Section or Unit**  
2501 Mail Service Center  
Raleigh, NC 27699-2501

The address for the Third Party Recovery unit is:

Division of Medical Assistance  
**Third Party Recovery Unit**  
2508 Mail Service Center  
Raleigh, NC 27699-2508

All certified mail, UPS or Federal Express must be sent to:

Division of Medical Assistance  
**Name of Section or Unit**  
1985 Umstead Drive  
Raleigh, NC 27502



## Checkwrite Schedule

September 3, 2003  
September 9, 2003  
September 16, 2003

October 7, 2003  
October 14, 2003  
October 21, 2003  
October 30, 2003

November 4, 2003  
November 12, 2003  
November 18, 2003  
November 26, 2003

## Electronic Cut-Off Schedule


September 5, 2003  
September 12, 2003

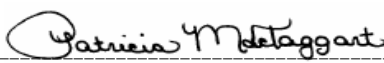
October 3, 2003  
October 10, 2003  
October 17, 2003  
October 24, 2003

October 31, 2003  
November 7, 2003  
November 14, 2003  
November 21, 2003

*Electronic claims must be transmitted and completed by 5:00 p.m. on the cut-off date to be included in the next checkwrite. Any claims transmitted after 5:00 p.m. will be processed on the second checkwrite following the transmission date.*

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Division of Medical Assistance  
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Patricia MacTaggart  
Executive Director  
EDS



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